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Press Release

Financial Results for the nine months of 2008

- ▶ Group net profit attributable to shareholders for the nine-month period reached €323.3 million, flat⁽¹⁾ y/y
- ▶ Recurring revenues rose 5% to €886.6 million
- ▶ Net interest income increased by 19%⁽²⁾ to €560.7 million
- ▶ Remarkably strong growth of deposits, up 17% reaching €24.6 billion and strong growth of loans, up 41% to €23.1 billion
- ▶ Return on tangible equity at 19.8% and efficiency ratio (cost to income) at 46.3%
- ▶ Capital Adequacy Ratio of 11%, with 9% Tier I Ratio

During the first nine months of 2008, the Group has achieved robust volume growth rates in all geographic regions of operation (Cyprus, Greece, international) and positive financial results, despite the difficult international economic environment. Total assets of the Group have exceeded €37 billion, recording an annual increase of 29%, reinforcing the Group's leading position in the Cyprus market and the fifth position in the Greek market.

Both total loans and deposits of the Group recorded remarkable annual increases of 41% and 17% respectively, driven by the enlargement of the branch network, the expansion of the customer base and the gradual maturing of new branches. Loans of the Group's international operations reached €2.9 billion or 13% of total loans. 95% of Group loans is addressed to countries of the European Union, while 5% represents Southeast Europe and Russia. Loan to deposit ratio stands at 94%, a considerably low ratio compared with both Greek and European banking standards, demonstrating the high liquidity of the Group.

Total Group revenues increased by 5%⁽¹⁾ year-on-year and reached €886.6 million. Revenues from international operations reached € 120 million, representing 13% of total Group revenues, with only 7% coming from south and east European operations.

Net interest income (NII) amounted to €560.7 million for the first nine months of 2008, achieving a 13% year-on-year increase. Adjusting for the exceptional write-backs of interest in the first nine months of 2007, the increase in net interest income reached 19% year-on-year and demonstrated the robust growth of loans and deposits, despite the negative factors prevailing in the period under consideration. The negative factors affecting net interest income mainly include: the downward adjustment of the base rate in Cyprus by 50 basis points (the difference between the Cyprus pound and the Euro base rate), which was set as the interest rate for the loans that were converted from Cyprus Pound into Euro on 01 January 2008 (as required by a circular of the Central Bank of Cyprus), the decrease of the interest rates in the USA and the devaluation of the US dollar that reduced the income from the US dollar denominated deposits (mainly of the international business banking operations in Cyprus), and finally the intense competition on deposits from competitors facing constrained liquidity in Greece and Cyprus.

⁽¹⁾ Adjusted for exceptional items and profit from discontinued operations

⁽²⁾ Adjusted for write backs of the first nine months of 2007

Net interest margin (NIM) decreased from 2.76% (after adjusting for interest write backs) in the first nine months of 2007 to 2.46% in the first nine months of 2008, due to the aforementioned cyclical and technical factors. Regarding the imposed decrease in the base rate of the loans that were converted into Euro from Cyprus pound, the Group has already proceeded in a number of compensating actions during 2008 that include the increase of the base rate of the Bank by 125 basis points.

Net fee and commission income recorded a decrease of 3% year-on-year to €222.4 million. The fees of the MIG's IPO registered in 3Q07 produced a negative base effect. Excluding that, fees and commission income recorded a 20% annual increase, resulting from the leading position of the Group in investment banking and brokerage, and the dynamic growth of the banking operations of the Group.

Total operating expenses reached €421.7 million, 17% higher compared to the first nine months of 2007. Nine-month 2008 expenses included operating expenses from the consolidation of the Ukrainian bank, Marine Transport Bank (consolidated since the last quarter of 2007), Lombard Bank Malta Plc (consolidated since 01 March 2008), and Rossiysky Promyshlenny Bank (Rosprombank) (consolidated from 01 September 2008). Excluding the expenses of the new subsidiaries consolidated for the first time in the period under consideration, the increase in the operating expenses is contained to 8%. The increase in expenses is a result of the dynamic growth of the Group's operations in Greece and internationally. Cost-to-income ratio of the Group remained relatively stable at 46.3% (pro-forma for the consolidation of international subsidiaries) compared with 42.4%⁽¹⁾.

The consolidated net profit attributable to shareholders reached €323.3 million flat⁽²⁾ compared to the first nine months of 2007.

The enhanced profitability of the Group in the first nine months of 2008 has resulted in a return on assets ratio (RoA) of 1.28% and a return on tangible equity (RoTE) of 19.8%.

The capital adequacy ratio according to Basel II is estimated at 11.0% and Tier I ratio at 9% at 30 September 2008 on a proforma basis for the sale of the insurance operations. The Group maintains one of the highest capital adequacy ratios among its peers.

The provisions as a percentage of gross loans were 0.45% at the end of the first nine months of 2008. The coverage ratio stood at 62%. The non-performing loans ratio (NPL) decreased significantly to 4.2% in September 2008 from 5.1% in September 2007.

Commenting on the results of the nine months of 2008, Mr. Thimios Bouloutas, Chief Executive Officer of Marfin Popular Bank Group, made the following statement:

"Marfin Popular Bank sustained its healthy organic growth during the third quarter of 2008, reflected in increasing contribution of net interest income to total revenues. The Group continued to exhibit strong loan and deposit growth combined with market share gains, albeit a decelerating economic environment. Our sound profitability and strong liquidity position, as it is demonstrated by our low loan-to-deposit ratio of 94%, combined with the Bank's solid capital base, reflected on a Tier I ratio of 9%, enables the Group to be in an advantageous position during these challenging market conditions."

⁽¹⁾ Adjusted for exceptional income in the first nine months of 2007

⁽²⁾ Adjusted for exceptional items and profit from discontinued operations

Financial results for the nine-month period ended 30 September 2008

(€ m)	30.09.08	30.09.07	Δ %
Net interest income	560.7	494.5	13.4%
Net fee and commission income	222.4	230.4	(3.5)%
Foreign exchange & other income	103.5	122.6	(15.6)%
Recurring operating income	886.6	847.5	4.6%
Exceptional income (sale of stakes in Hellenic Bank, Universal Life and Bank of Cyprus)	-	71.6	-
Total operating income	886.6	919.1	(3.5)%
Operating expenses	(421.7)	(359.3)	17.4%
Provision for impairment of loans	(69.9)	(68.3)	2.3%
Profit from associates	1.9	1.6	18.8%
Profit before tax	396.9	493.1	(19.5)%
Tax	(64.0)	(68.6)	(6.7)%
Minority interest	(9.6)	(28.5)	(66.3)%
Profit from discontinued operations (MIG)	-	86.2	-
Net profit	323.3	482.2	(32.9)%
Net profit (adjusted for exceptional income and profit from discontinued operations)	323.3	324.4	0%

Key Balance Sheet Items (€ m)	30.09.08	30.09.07	Δ%
Loans	23,122	16,445	40.6%
Total assets	37,363	29,078	28.5%
Deposits	24,647	21,040	17.1%

Key Ratios	30.09.08	30.09.07
Tier I*	9.0%	9.7%
Capital Adequacy Ratio*	11.0%	11.1%
Cost/Income	46.3%**	42.4%
Net Interest Margin (NIM)	2.46%	2.76%
Non Performing Loans Ratio (NPLs)	4.2%	5.1%
Provisioning	45 bps	61 bps
Return on Tangible Equity (RoTE)	19.8%	23.2%
Return on Assets (RoA)	1.28%	2.49%

* Proforma for the sale of the insurance operations.

** Proforma for the consolidation of international subsidiaries